



U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES
– RANKING MEMBER MAXINE WATERS –
FACT SHEET: TRUMP ATTACKS FINANCIAL ACCESS THROUGH
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFIS)

Recently, President Trump issued an Executive Order claiming the Community Development Financial Institutions Fund (CDFI Fund) was an “unnecessary” part of the Federal bureaucracy. Nothing could be further from the truth. Below is background information on the CDFI Fund, the CDFIs they support, and what is at stake for the underserved communities across the country that CDFIs provide financial products and services to.

What is the CDFI Fund?

Congress established the CDFI Fund in 1994 to support community financial institutions providing financial products and services to low-income and underserved communities, such as rural communities, often ignored by larger, traditional banks.¹ The CDFI Fund is operated by the U.S. Department of the Treasury. For more than 30 years, across Republican and Democratic Administrations, the CDFI Fund has been a bipartisan success, providing grants, technical assistance, and other support to community financial institutions across the country that are certified as CDFIs. These CDFIs leverage a relatively small amount of Federal funds to provide financial access to underserved communities that traditional financial institutions ignore.

What are CDFIs, and what impact have they had?

Banks, credit unions, nonbank loan funds, and venture capital funds can be certified to be CDFIs. Currently, there are 1,432 CDFIs located in all 50 states, D.C., Guam, and Puerto Rico, and they offer a range of financial products and services to consumers and small businesses in rural, urban, native, and other communities.² These CDFIs are relatively small, with banks and credit unions holding \$577 million and \$567 million in assets, respectively, and CDFI loan funds have \$67.8 million in total assets.³ However, these small institutions make a big impact, as CDFIs currently have over 19 million loans outstanding totaling more than \$300 billion.⁴

How did CDFIs help during the pandemic and recovery?

During the pandemic, Democrats and Republicans worked with the Trump Administration to ensure CDFIs could serve as a lifeline to consumers and small businesses in underserved communities across the country. Specifically:

- **Paycheck Protection Program (PPP):** After the first round of PPP loans went to preferred customers of the largest banks, Congress set aside \$60 billion for CDFIs and other community lenders to help deploy PPP to truly small businesses in underserved communities.
- **Historic Capital Investments and Grants:** Congress subsequently worked with the Trump Administration to provide \$12 billion in capital investments and grants for CDFIs and minority depository institutions (MDIs). These funds are estimated to boost lending by at least \$130 billion to underserved communities over the next decade.⁵
- **State Small Business Credit Initiative (SSBCI):** Congress provided Treasury with \$10 billion to deploy to state, territory, and Tribal nations with small business programs that leverage those funds through financial institutions, including CDFIs, to support tens of billions in new small business financing over the next decade.

To learn more, see: [CDFI Fund State-by-State Data](#), [RM Waters Statement](#), [FSC 2022 Hearing](#), [Bipartisan Senate Letter](#), [CDFI Trades Letter](#), [Depository Trades Letter](#), [NCRC & CDFIs Letter](#), and [Urban Institute Analysis](#).

¹ CRS, *Community Development Financial Institutions (CDFIs): Overview and Selected Issues* (Sep. 29, 2023); and CRS, *Community Development Financial Institutions (CDFI Fund): Programs and Policy Issues* (Jul. 1, 2022).

² See Treasury, *CDFI Certification* (accessed Mar. 19, 2025).

³ *Id.*

⁴ Treasury, *CDFI Annual Certification and Data Collection Report (ACR): A Snapshot for Fiscal Year 2023* (Dec. 2024).

⁵ Treasury, *Ten Ways Treasury's Focus on Equity Helps All Americans* (Apr. 26, 2024).